CLAIMS:

1. A method of creating a financial product, comprising:

identifying an underlying instrument, said underlying instrument having a first price corresponding to a market price of the underlying instrument at a first time;

identifying an expiry;

identifying a premium to be paid by a buyer of the financial product;

identifying a payout;

identifying a value change in the underlying instrument;

wherein said financial product is worth the payout amount to a buyer of the financial product if, between the first time and expiry, the market price of the underlying instrument meets a strike price, wherein the strike price is a sum of the first price and the value change; and

wherein said financial product is worth nothing to the buyer if, between the first time and expiry, the market price of the underlying instrument fails to meet the strike price.

2. The method of claim 1, further comprising the step of identifying a type of said financial product.

3. The method of claim 2, wherein said identifying a type comprises selecting either call or put.

4. The method of claim 2, wherein said type is a call, and the change in value is a positive amount.

5. The method of claim 2, wherein said type is a put, and the change in value is a negative amount.

6. The method of claim 1, wherein said expiry is comprised of a date and time.

7. The method of claim 6, wherein said time is one of the group of open, noon and close.

8. The method of claim 6, wherein said time is an hour.

9. The method of claim 1, wherein said underlying instrument is a stock.

10. The method of claim 1, wherein said underlying instrument is a futures contract.

11. The method of claim 1, wherein said underlying instrument is an index.

12. The method of claim 1, wherein said underlying instrument is an interest rate.

13. The method of claim 1, additionally comprising identifying a quantity of the financial products.

14. The method of claim 1, wherein said financial product is offered for sale in an online trading exchange.

15. The method of claim 1, wherein said first time is the time the financial product is bought by a buyer.

16. The method of claim 1, comprising the additional step of identifying the first time.

17. The method of claim 16, wherein said identifying the first time comprises specifying a date and time.

18. The method of claim 16, wherein said identifying the first time comprises specifying a time gap.

19. A machine-readable medium for creating a financial product, the medium having instructions stored thereon which when executed by a processor, cause the processor to:

identify an underlying instrument, said underlying instrument having a first price corresponding to a market price of the underlying instrument at a first time;

identify an expiry;

identify a premium to be paid by a buyer of the financial product;

identify a payout;

identify a value change in the underlying instrument;

wherein said financial product is worth the payout amount to a buyer of the financial product if, between the first time and expiry, the market price of the underlying instrument meets a strike price, wherein the strike price is a sum of the first price and the value change; and

wherein said financial product is worth nothing to the buyer if, between the first time and expiry, the market price of the underlying instrument fails to meet the strike price.

20. The machine-readable medium of claim 19, further comprising instructions stored thereon that cause the processor to identify a type of said financial product.

21. The machine-readable medium of claim 20, wherein said instructions stored thereon which cause the processor to identify a type further comprises instructions which cause the processor to select either call or put.

22. The machine-readable medium of claim 20, wherein said type is a call, and the change in value is a positive amount.

23. The machine-readable medium of claim 20, wherein said type is a put, and the change in value is a negative amount.

24. The machine-readable medium of claim 19, wherein said expiry is comprised of a date and time.

25. The machine-readable medium of claim 24, wherein said time is one of the group of open, noon and close.

26. The machine-readable medium of claim 24, wherein said time is an hour.

27. The machine-readable medium of claim 19, wherein said underlying instrument is a stock.

28. The machine-readable medium of claim 19, wherein said underlying instrument is a futures contract.

29. The machine-readable medium of claim 19, wherein said underlying instrument is an index.

30. The machine-readable medium of claim 19, wherein said underlying instrument is an interest rate.

31. The machine-readable medium of claim 19, additionally comprising instructions which cause the processor to identify a quantity of the financial products.

32. The machine-readable medium of claim 19, wherein said financial product is offered for sale in an online trading exchange.

33. The machine-readable medium of claim 19, wherein said first time is the time the financial product is bought by a buyer.

34. The machine-readable medium of claim 19, additionally comprising instructions which cause the processor to identify the first time.

35. The machine-readable medium of claim 34, wherein said instructions which cause the processor to identify the first time comprises instructions identifying a specific date and time.

36. The machine-readable medium of claim 34, wherein said instructions which cause the processor to identify the first time comprise instructions for specifying a time gap.

37. A method of compensating a purchaser of a financial product with a predetermined amount of money, comprising:

receiving a premium from the purchaser for the financial product, wherein the financial product has a type, expiry, underlying instrument and strike change in value of the underlying instrument;

setting a strike price as the value of the underlying instrument at time of purchase plus the strike change in value if the type is a call;

setting a strike price as the value of the underlying instrument at time of purchase less the strike change in value if the type is a put;

determining whether the strike price has been met before the expiry; and

if the strike price has been met, paying the purchaser the predetermined amount of money.

38. A machine-readable medium for compensating a purchaser of a financial product with a predetermined amount of money, the medium having instructions stored thereon which when executed by a processor, cause the processor to:

set a strike price as the value of the underlying instrument at time of purchase plus the strike change in value if the type is a call;

set a strike price as the value of the underlying instrument at time of purchase less the strike change in value if the type is a put;

determine whether the strike price has been met before the expiry; and

if the strike price has been met, pay the purchaser the predetermined amount of money.

39. A method of compensating a purchaser of a financial product with a predetermined amount of money, comprising:

receiving a premium from the purchaser for the financial product, wherein the financial product has a type, expiry, underlying instrument and strike change in value of the underlying instrument;

setting a strike price as the value of the underlying instrument at time of purchase plus the strike change in value, wherein the strike change in value is either a positive or negative amount;

determining whether the strike price has been met before the expiry; and

if the strike price has been met, paying the purchaser the predetermined amount of money.

40. The method of claim 39, wherein if the strike change in value is a positive amount, the step of determining whether the strike price has been met comprises determining whether the value of the underlying instrument is greater than the strike price.

41. The method of claim 39, wherein if the strike change in value is a negative amount, the step of determining whether the strike price has been met comprises determining whether the value of the underlying instrument is less than the strike price.

42. An online trading system for trading financial products having an underlying instrument, type, expiry and strike change in value, comprising:

means for a participant to write and offer a financial product;

means for a participant to purchase a financial product;

means for determining whether the financial product has met a strike price before expiry, wherein said strike price is determined by the value of the underlying instrument at a specified time and the strike change in value; and

means for paying the purchaser a predetermined amount of money if the strike price has been met before expiry.

43. The system of claim 42, wherein said specified time is the time of purchase.

44. A financial product writing device operated by a participant in a trading exchange, said financial product writing device comprising software that enables the participant to submit financial products to the trading exchange;

wherein said financial product writing device displays information about a financial product, said information including a type, underlying instrument, expiry, strike change in value and premium;

wherein said financial product writing device receives values for the type, underlying instrument, expiry, strike change in value and premium from the participant; and

wherein said financial product writing device enters the financial product as defined by the received values into the trading exchange.

45. The financial product writing device of claim 44, wherein said received values are confirmed by the participant before the financial product is entered into the trading exchange.

46. The financial product writing device of claim 44, wherein said financial product writing device presents a list of valid values for at least one of the type, underlying instrument, expiry, strike change in value and premium, and the received value is the participant's selection of the presented values.

47. A method of offering to buy a financial product, comprising:

identifying an underlying instrument for the financial product, said underlying instrument having a first price corresponding to a market price of the underlying instrument at a first time;

identifying an expiry for the financial product;

identifying a premium to be paid for the financial product;

identifying a payout for the financial product;

identifying a value change in the underlying instrument for the financial product;

wherein said financial product is worth the payout amount if, between the first time and expiry, the market price of the underlying instrument meets a strike price, wherein the strike price is a sum of the first price and the value change;

wherein said financial product is worth nothing if, between the first time and expiry, the market price of the underlying instrument fails to meet the strike price; and

wherein said financial product is offered on a trading exchange, and may be accepted by another participant in the trading exchange.

48. The method of claim 47, further comprising the step of identifying a type of said financial product.

49. The method of claim 48, wherein said identifying a type comprises selecting either call or put.

50. The method of claim 48, wherein said type is a call, and the change in value is a positive amount.

51. The method of claim 48, wherein said type is a put, and the change in value is a negative amount.

52. The method of claim 47, wherein said expiry is comprised of a date and time.

53. The method of claim 52, wherein said time is one of the group of open, noon and close.

54. The method of claim 52, wherein said time is an hour.

55. The method of claim 47, wherein said underlying instrument is a stock.

56. The method of claim 47, wherein said underlying instrument is a futures contract.

57. The method of claim 47, wherein said underlying instrument is an index.

58. The method of claim 47, wherein said underlying instrument is an interest rate.

59. The method of claim 47, additionally comprising identifying a quantity of the financial products.

60. The method of claim 47, wherein said financial product is offered for sale in an online trading exchange.

61. The method of claim 47, wherein said first time is the time the financial product is bought by a buyer.

62. The method of claim 47, comprising the additional step of identifying the first time.

63. The method of claim 62, wherein said identifying the first time comprises specifying a date and time.

64. The method of claim 62, wherein said identifying the first time comprises specifying a time gap.